



# COMPACT NEIGHBORHOOD TIER AFFORDABLE HOUSING BONUSES

The proposed affordable housing bonuses offer regulatory incentives for developers of multi-family housing to provide more affordable housing for low to moderate income households near planned transit stations. Development bonuses, such as density and height, would be offered in exchange for providing affordable units and meeting design criteria.

## KEY TERMS

### AFFORDABLE HOUSING BONUS

An affordable housing bonus is an increase in the number of housing units or building heights that are currently allowed under a specific zoning regulation, in exchange for building more affordable units that help the City and County meet its housing goals.

### COMPACT NEIGHBORHOOD TIER

Compact Neighborhoods are areas mapped on the Future Land Use Map near planned rail transit stations that are envisioned, over the long term, to host additional development that is higher density, mixed use, and walkable.

### AREA MEDIAN INCOME (AMI)

- » **Area** = A particular geographical area, e.g. Durham County
- » **Median** = Middle point: half of the households earn below the median while the other half earn above
- » **Income** = Total income of the entire household

### AFFORDABLE HOUSING DWELLING UNIT

A dwelling unit committed for a minimum 15-year term as affordable, through covenants or restrictions, to households with incomes at 60% or less of the area median income for a family; and where housing costs (rent or mortgage) do not exceed 30% of a family's income.

## CONTACT

To learn more visit: <http://durhamnc.gov/362/Compact-Neighborhood-Affordable-Housing>  
Contact Senior Planner Hannah Jacobson at: [Hannah.Jacobson@durhamnc.gov](mailto:Hannah.Jacobson@durhamnc.gov) or 919-560-4137

# COMPACT NEIGHBORHOOD TIER AFFORDABLE HOUSING BONUSES

## PROPOSED BONUS PROGRAM

### AFFORDABILITY REQUIREMENTS

#### 15 %

The number of total units that must qualify as AFFORDABLE

#### 60% AMI

Rent+Utilities must be affordable to a household earning 60% of Area Median Income

In 2016, for a 2 person household, 60% AMI = **\$33,940**

#### 15 YEARS

The number of years the unit must remain affordable



### DESIGN REQUIREMENTS

Building is placed on the site to create a sense of **HUMAN SCALE DESIGN**

**VISUAL INTEREST** of the building is created through the use of windows and doors

Primary entrances **ENGAGE WITH THE STREET**

**PEDESTRIAN ACTIVITY** is encouraged with sidewalks

**PEDESTRIAN EXPERIENCE** is enhanced through streetscape amenities



### DENSITY & HEIGHT BONUSES

#### 75 UNITS/ACRE

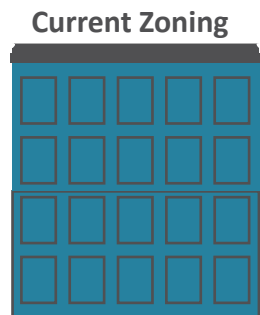
Maximum density allowed with bonus

#### 90 FEET

Maximum building height with bonus

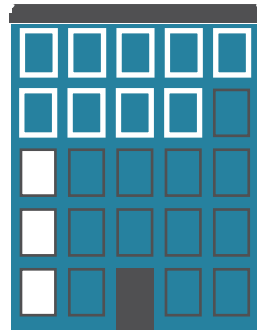
#### 50 FEET

Maximum building height next to single family neighborhood

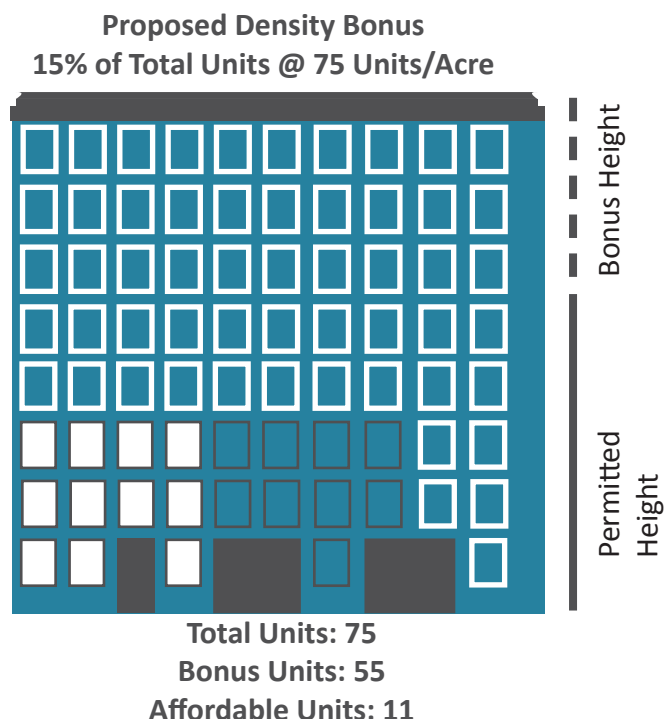


Total Units: 20  
Bonus Units: 0  
Affordable Units: 0

Current 3:1 Density Bonus



Total Units: 29  
Bonus Units: 9  
Affordable Units: 3



Total Units: 75  
Bonus Units: 55  
Affordable Units: 11

# COMPACT NEIGHBORHOOD TIER AFFORDABLE HOUSING BONUSES

## FREQUENTLY ASKED QUESTIONS

### WHEN CAN THE BONUSES BE USED?

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The affordable housing bonus would be available as a “by-right” option to developers of multi-family housing during the site plan or subdivision process. This means that the developer could forego an often long and expensive rezoning process. While the bonuses are intended as encouragement to incorporate affordable units into housing developments, some will choose to develop what is allowed under current zoning rules.

### WHY ARE DEVELOPMENT INCENTIVES NEEDED?

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Private development projects need to make financial sense, and it can be difficult to balance the costs of land, construction and financing, while still keeping rents within reach. In order to offset the cost of providing a social good (i.e. affordable housing), higher densities and heights are needed.

### HASN'T THIS BEEN DONE BEFORE?

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Yes. An affordable housing density bonus has been an option for decades. However, in 2015, City and County elected officials adopted a 3:1 program to encourage the development of affordable housing in transit areas. That program allowed three additional market rate units for every (one) affordable unit. The program has not achieved maximum impact over the past two years and Planning staff is now seeking a regulatory update to this program.

### WHAT ARE THE NEXT STEPS?

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Planning staff has released a draft of the proposed text amendment to the Unified Development Ordinance (a legal document outlining the rules for development) for public review. The comment period will be open through June 2017. Public hearings of the Planning Commission, City Council, and Board of County Commissioners will follow in the summer and fall.